IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

IN RE:	§	
	§	
COLONY LODGING, INC.	§	CASE NO. 10-60909-RBK
	§	
Debtor.	§	Chapter 11
	§	
	§	

STIPULATION WITH REGARD TO MOTION OF PACIFIC MERCANTILE BANK
FOR RELIEF FROM AUTOMATIC STAY UNDER SECTION 362(D)(1)

Colony Lodging, Inc., debtor and debtor-in-possession (the "Debtor"), and Pacific

Mercantile Bank ("PMB") hereby agree and stipulate as follows (this "Stipulation"):

I.

RECITALS

A.   On July 27, 2010, the Debtor commenced this voluntary bankruptcy case under

chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On August 2, 2010,

PMB filed that certain *Motion of Pacific Mercantile Bank for Relief from Automatic Stay Under*

Section 362(D)(1) [Docket No. 11] (the "Motion"). A hearing on the Motion occurred on

September 29, 2010 at 10:00 a.m. before the Bankruptcy Court at which time the parties

announced its resolution in accordance with the terms of this Stipulation.

B.   The Debtor and PMB have engaged in good faith negotiations to consensually

resolve the issues raised by the Motion, including PMB's request for a determination that the

debtor is a "single asset real estate" debtor, as that term is defined and used in section 101(51B)

of the Bankruptcy Code.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and

other good and valuable consideration, it is hereby stipulated and agreed by and between the

Debtor and PMB as follows:

II.

<u>AGREEMENT</u>

1. The Debtor meets the definition of a "single asset real estate" debtor, as that term is defined and used in section 101(51B) of the Bankruptcy Code and is subject to Bankruptcy Code § 362(d)(3).

2. PMB withdraws the remainder of the Motion, without prejudice.

3. PMB reserves all rights including, without limitation, its rights to (i) move for relief from the automatic stay at any time, (ii) assert claims for interest at the default rate and any fees, charges or expenses allowable under any agreements between PMB and the Debtor or under applicable law, (iii) assert any claim as an administrative priority or super-priority claim as provided under the Bankruptcy Code, or (iv) assert any claim arising from a default by the Debtor respecting its obligations under the cash collateral order entered in this case.

4. The Court will retain jurisdiction to hear and determine all matters arising from implementation of this Stipulation.

5. This Stipulation may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall be one and the same instrument. A facsimile or .pdf copy of a signature page is the equivalent of an original signature page.

[Signatures follow]

AGREED:

Dated: September 27, 2010

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- and -

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ATTORNEYS FOR PACIFIC MERCANTILE BANK

CERTIFICATE OF SERVICE

I hereby certify that on October 14, 2010, a true and correct copy of the foregoing "STIPULATION WITH REGARD TO MOTION OF PACIFIC MERCANTILE BANK FOR RELIEF FROM AUTOMATIC STAY UNDER SECTION 362(D)(1)" was served (i) upon those parties registered to receive electronic notice via the Court's ECF system which sent notification to all parties of interest participating in the CM/ECF system.

                                         /s/ Justin E. Rawlins
                                          Justin E. Rawlins